MINUTES

California Health Facilities Financing Authority
("CHFFA")
915 Capitol Mall, Room 587
Sacramento, California 95814

July 31, 2014 – 1:30 P.M.

Deputy Treasurer Michael Paparian, serving as Chairman, called the meeting to order at 1:50 P.M.

Roll Call

Members Present:	Michael Paparian for Bill Lockyer, State Treasurer
	John Chiang, State Controller
	Eraina Ortega for Michael Cohen, Director of Finance
	Pedro Reyes
	*Jay Hansen
	Ann Madden Rice
	Dr. Oscar Sablan
Members Absent:	Jack Buckhorn
	Judith Frank

Chairman Paparian declared a quorum present.

Approval of the Minutes from the June 26, 2014 meeting
Mr. Reyes moved for approval of the June 26, 2014 meeting minutes, Mrs. Rice seconded the motion. The motion was adopted with a 6-aye vote.

Executive Director's Report (Information Item)
Ronald Washington, Executive Director, reported on each of the CHFFA Fund Balances and the Comprehensive Debt List Summaries.

Tax-Exempt Bond Delegation of Powers Monthly Update
Casa Colina, Inc. – Casa Colina, Inc. requested the Authority to execute a First Supplemental Tax Certificate and Agreement for Series 2011 Draw Down Bond due to the expected delay of completing new construction by the final draw down date of October 18, 2014.

CHFFA's in-house counsel reviewed the request and confirmed the proposed action fell within CHFFA's delegation resolution. The Executive Director executed the First Supplemental Tax Certificate and Agreement, the IRS Form 8038 and the replacement bond on July 22, 2014.

HELP II Loan Program Delegation of Powers Monthly Update

East Valley Community Health Care Services ("East Valley") requested CHFFA subordinate its property lien position and its gross revenue pledge to a second position to refinance two maturing loans and secure a line of credit.

CHFFA's in-house counsel reviewed the request and confirmed the proposed action fell within CHFFA's delegation resolution. The Executive Director executed the subordination agreement on June 19, 2014.

California Health Access Model Program (CHAMP) Update

Mr. Washington reported San Francisco Health Plan was awarded $1,400,000 under the grant program. The first disbursement was in the amount of $356,522.25 on July 16, 2014.

Investment in Mental Health Wellness Grant Program Update

Mr. Washington reported the proposed permanent regulations were posted to the CHFFA website on July 2, 2014 and published on the Office of Administrative Law website on July 4, 2014. The permanent regulations are expected to be effective in October 2014. The Office of Administrative Law approved an extension of the emergency regulations, and staff requested a second extension of the emergency regulations, which will expire on November 7, 2014. The application period for the second funding round began July 14, 2014 and will end September 15, 2014. Each County has been encouraged to participate in the second funding round.

Item #4 HELP II Loan Program Semi Annual Report (Information Item)

Rosalind Brewer, Deputy Executive Director, presented an overview of the HELP II Loan Program's bi-annual report.

Mr. Reyes commented the report was very informative.

Item #5 HELP II Loan Program Marketing Plan (Information Item)

Michael Tang, Staff Analyst and Ray Artinian, Program Manager presented a PowerPoint presentation of the HELP II Loan Program Marketing Plan outlining the potential for utilizing the HELP II loan program funds for: 1) Developing a New Grant Program, 2) Assisting Challenged Credit Borrowers, and 3) Providing Short-Term Financing.

*Mr. Hansen joined the meeting at 2:09 P.M.

Staff was directed to reach out to the Authority members as a resource for their expertise and participation, to give some thought to whether for-profit health facilities can and should be included in the considerations for expanded financing, to explore the pool of providers that are providing the vast majority of care to the underserved population in the State, to provide helpful information such as the balance of funds, projected revenues, and historic revenues and to investigate any emerging trends around electronic medical records technology.

Mr. Washington replied that at a later date, staff would provide the Authority with expected fund projections and would also draw upon the knowledge and experience of the Authority members.

Deputy Controller, Barbara Liebert, updated the Authority on her meeting with Dignity Health to discuss the Dignity Health Community Investment Program, which provides below market interest rate loans, access to jobs, and affordable housing for poor or economically underserved populations. Dignity Health was eager to partner with CHFFA and looks forward to working with CHFFA in the future. The framework of any program option would require input and advisement from staff legal counsel.

Chairman Paparian stated that it was Ruth Holton-Hodson's last day of service as Deputy Controller and designee for the Controller on the Authority and her presence would be missed.

Ms. Liebert spoke on behalf of CHFFA staff and the California Educational Facilities Authority staff. Staff acknowledged Ms. Holton-Hodson's great work on the Authority and in the healthcare community. Ms. Holton-Hodson expressed her appreciation and briefly shared some of her plans following retirement.

Item #6 Other Business/Public Comment/Adjournment

Chairman Paparian asked for public comment. Hearing none and with no additional business, the meeting was adjourned at 2:55 P.M.